Kai Millyard Associates

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August 12, 2015

Ms Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
PO Box 2319
Toronto, ON
M4P 1E4

RE: EB-2015-0049 & 0029 GEC Interrogatory replies

Dear Ms Walli,

Please find enclosed 2 copies of the IR replies from Mr Chernick to APPrO, FRPO, Enbridge and Union Gas, in addition to those filed Monday. This completes interrogatory responses from the GEC witnesses. All will be uploaded to the RES system shortly and emailed to all parties.

Sincerely,

(Mr.) Kai Millyard
Case Manager
Green Energy Coalition

ec: All parties

GEC Response to FRPO Interrogatory #1

Question:

REF: Exhibit L.GEC.2, page 14

Preamble:

"**Q: How does that coefficient of price change per conserved Gj translate to a savings to Ontario consumers as a result of conserved gas?**
A: The effect of this change in price on Ontario consumer's bills, per m^3 conserved, is the product of the \$0.00027/m^3 per 10^9m^3 saved (using the lower 2014 AEO estimates) times the annual gas use in Ontario (about 1,050,000 Tj or 28.2 10^9m^3). The product of a \$0.00027/m^3 price reduction per 10^9m^3 saved times 28.2 10^9m^3 is a benefit to Ontario of 0.76¢ in reduced gas bills per m3 conserved…

Please explain the above statement in appropriate context to the Ontario market i.e., if the Ontario market is 28 10^9m^3 of annual consumption, how can the entire annual volume be saved?

Response:

The computation does not assume that the entire annual volume would be saved—if it did the resulting value would not be three quarters of a cent. The computation is the reduction in price per m^3 of gas consumed (for each m^3 conserved), times annual gas consumed in Ontario.

Witness: Paul Chernick

GEC Response to FRPO Interrogatory #2

Question:

REF: Exhibit L.GEC.2, page 15, Figure 3

Please provide the reference for the basis differential figures presented in the graph.

Response:

The basis differentials are computed from daily prices from the Natural Gas Intelligence historical database (http://www.naturalgasintel.com/data/data_products/daily?).

Witness: Paul Chernick

GEC Response to FRPO Interrogatory #3

Question:

REF: Exhibit L.GEC.2, page 15, Figure 3

Please explain the relative stability of the basis in the period of increasing HDD between February 11th and 17th of 2015.

Response:

Figure 3 contains an error and will be withdrawn.

Witness: Paul Chernick

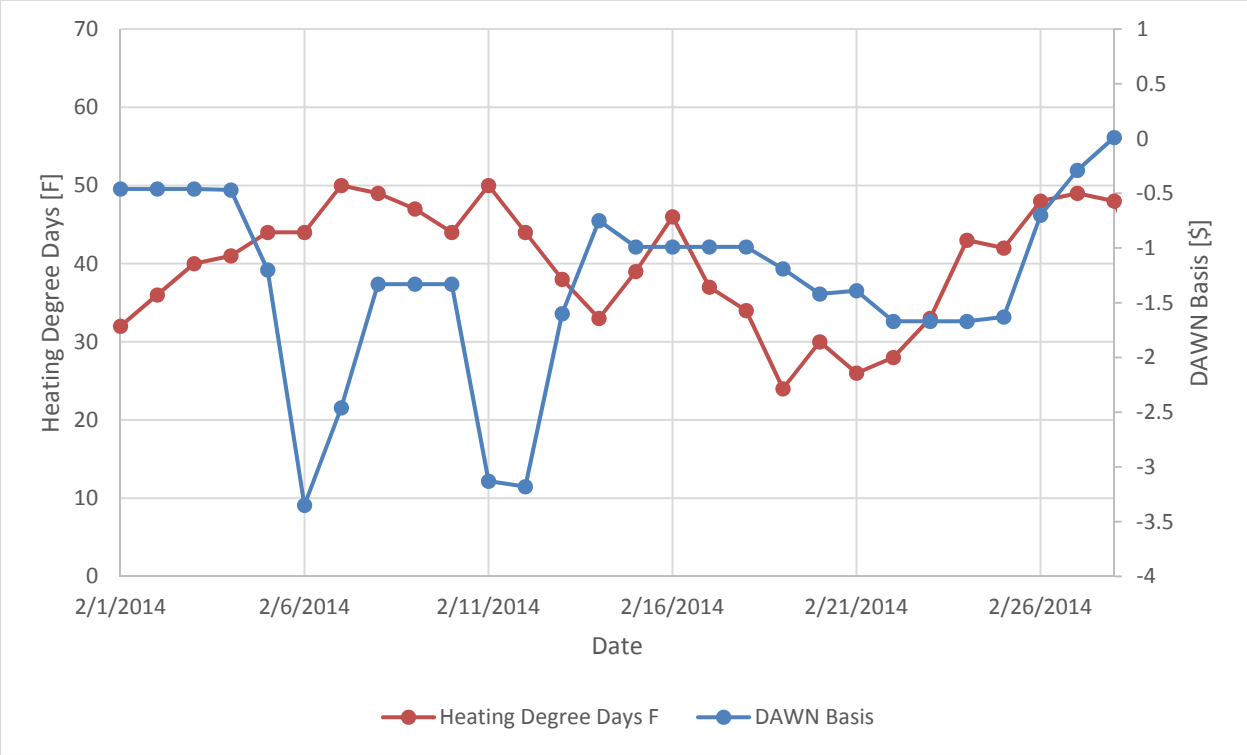
GEC Response to FRPO Interrogatory #4

Question:

REF: Exhibit L.GEC.2, page 15, Figure 3

Please provide the same graph for February of 2014.

Response:



Witness: Paul Chernick

GEC Response to FRPO Interrogatory #5

Question:

REF: Exhibit L.GEC.2, page 15, Figure 3

Please explain how Union Gas requirements for balancing bundled transportation accounts could have contributed to the price changes over the last two months of February.

Response:

Mr. Chernick does not have daily data on Union Gas requirements for balancing bundled transportation accounts. Whether the gas is being purchased at Dawn by Union for full-service customers or bundled transportation accounts, or by third-party suppliers serving Union customers, or by marketers selling gas at wholesale further downstream, the effect on basis should be very similar.

Witness: Paul Chernick